



Bill Richardson
Governor
Jan Goodwin
Secretary

STATE OF NEW MEXICO
Taxation and Revenue Department
An Equal Opportunity Employer

DIVISIONS

Office of the Secretary
(505) 827-0341
Administrative Services
(505) 827-0369
Audit and Compliance
(505) 827-0900
Motor Vehicle
(505) 827-2296
Property Tax
(505) 827-0870
Revenue Processing
(505) 827-0800
Tax Fraud Investigations
(505) 841-6544

January 2, 2008

MEDIA ADVISORY

CONTACT: David Harwell (505) 827-0313

**Legislature Enacts Lower Interest Rates
And Higher Maximum Late Penalties**

Effective January 1, 2008, the interest rate charged on all outstanding tax debt will be reduced from 15 percent per year to the annual rate established each quarter by the IRS. Over the last several years the rate they have charged has been much lower than 15 percent (the current New Mexico rate) and is currently at 8 percent. Interest will continue to accrue on unpaid taxes daily using the annual rate. Also, effective January 1, 2008, the maximum penalty charged will increase from 10 percent to 20 percent of tax due but not paid. Penalty accrues at two percent per month on unpaid taxes.

What does this mean? For taxes owed to the Taxation and Revenue Department, interest will be charged at the 15 percent interest rate up to December 31, 2007. After this date, the interest rate will be lower and the maximum penalty will be higher on any taxes or fees owed. Please note that we charge penalty and interest only on outstanding tax liabilities; we do not charge penalty and interest on penalty and interest.

What should individuals do? Pay your outstanding tax liability to avoid additional interest and penalty charges. Although interest due will be lower starting January 1, 2008, the penalty that you will have to pay on taxes owed after that date will increase.

Who can they contact? For more information about the changes to interest and penalty that will be charged, please visit our web site at www.tax.state.nm.us, or call your nearest Taxation and Revenue District office (see below) with questions, to make payment arrangements, or to repay back taxes in full.

Santa Fe
Manuel Lujan Sr. Building
1200 South St. Francis Dr.
Santa Fe, NM 87502-5374
(505) 827-0951
Monday – Friday 8:00 am – 5:00 pm

Las Cruces
2540 El Paseo, Bldg #2
Las Cruces, NM 88004-0607
(575) 524-6225
Monday – Friday 8:00 am – 5:00 pm

Albuquerque
5301 Central NE, Suite 100
Albuquerque, NM 87198-8485
(505) 841-6200
Monday –Friday 8:00am – 5:00pm
Saturday 9:00 am – 3:00 pm

Roswell
400 N. Pennsylvania Ste.200
Roswell, NM 88202-1557
(575) 624-6065
Monday – Friday 8:00 am – 5:00 pm